

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-046-C - ORDER NO. 94-566 ✓
JUNE 20, 1994

IN RE: Application of Nationwide Communications,)	ORDER
Inc. for a Certificate of Public)	APPROVING
Convenience and Necessity to Provide)	CERTIFICATE
Resold Telecommunications Services,)	
Including Operator Services, within the)	
State of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Nationwide Communications, Inc. (Nationwide or the Company or the Applicant) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including the provision of operator services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Nationwide to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Nationwide's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding.

Nationwide complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell)¹ and the South Carolina Department of Consumer Affairs (the Consumer Advocate). By letter dated May 10, 1994, the Consumer Advocate informed the Commission that he is satisfied that the services offered by the Applicant are consistent with services approved by the Commission in prior dockets, and, therefore, the Consumer Advocate does not wish to participate in any hearing scheduled in this matter. The Commission granted the Consumer Advocate's withdrawal by Order No. 94-457, dated May 18, 1994.

Richard Makens, President of the Company, submitted testimony and an affidavit on behalf of the Applicant. Mr. Makens explained Nationwide's request for authority. Mr. Makens stated that Nationwide is a provider of operator-assisted services and travel card services. According to Mr. Makens, Nationwide seeks to offer its services throughout South Carolina. Mr. Makens stated that Nationwide's operator services are designed primarily to originate at locations where users require operator assistance or alternate billing arrangements, such as pay telephones, hotels, motels, and hospitals, and its services are designed primarily for business and residential customers.

1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Order No. 94-405, dated May 4, 1994.

Mr. Makens described Nationwide's customer service response. Mr. Makens also offered that Nationwide has the necessary managerial, technical, and financial resources and ability to provide the services for which authority is sought. Mr. Makens also stated that Nationwide will abide by the Commission's Rules and Regulations. Mr. Makens also testified that the issuance of a Certificate of Public Convenience and Necessity to Nationwide would be in the public interest as it will increase competition thereby ensuring a wide variety of services and prices, promoting efficient use of the network, and expanding the tax base and revenue services for the state.

After full consideration of the applicable law, the Company's Application, and the testimony and affidavit presented by the Company, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Nationwide is incorporated under the laws of the State of Michigan, and is authorized to transact business in the State of South Carolina as a foreign corporation by the Secretary of State.

2. Nationwide operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Nationwide has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Nationwide to provide intrastate service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Nationwide for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA operator assisted and calling card calls, Nationwide may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Nationwide may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Nationwide shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Nationwide shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with

the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Nationwide shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Nationwide should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by the Company. Further, if the surcharge is applied,

the user should be notified of imposition of the surcharge. This notification should be included in the information pieces, such as tent cards or pay telephone stickers, identifying the Company as the operator service provider for pay telephones and guest phones.

6. Nationwide is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying it as the provider of operator service for intrastate interLATA distance calls. Nationwide is required to brand all calls identifying itself as the carrier for the motel or hotel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

7. For the provision of operator services, Nationwide shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

8. Nationwide is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

10. Nationwide shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. Nationwide shall notify the Commission, in writing, of the identity of its underlying


carrier(s). If Nationwide changes underlying carriers, it shall notify the Commission in writing.

11. Nationwide shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

12. Further, Nationwide shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION.


VICE Chairman

ATTEST:


Executive Director

(SEAL)

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JUNE 20, 1994
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).